

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY WATER)
SERVICE DISTRICT FOR A CERTIFICATE TO)
CONSTRUCT A NEW AND LARGER NEWPORT)
PUMP STATION TO REPLACE BOTH THE)
PRESENT NEWPORT PUMP STATION AND THE)
BELLEVUE-DAYTON PUMP STATION [FUNDING)
WILL BE FROM CASH FLOWS AND NOTES)
AUTHORIZED BY STATUTE])

CASE NO.
98-527

O R D E R

Northern Kentucky Water Service District ("Northern Kentucky District") has applied for a Certificate of Public Convenience and Necessity to construct a \$1,400,000 waterworks improvement project. The proposed project involves the construction of a new pumping station to replace Northern Kentucky District's existing Newport and Bellevue-Dayton Pump Stations.

Having reviewed the application and being otherwise sufficiently advised, the Commission finds:

1. The proposed project includes the construction of a new pump station to replace the existing Newport and Bellevue-Dayton pump stations.
2. The existing Newport and Bellevue-Dayton pump stations are in poor condition, require very high maintenance costs, and are fitted with inefficient pumping

equipment. All instrumentation and safety equipment at both pump stations have previously been retrofitted.

3. The new pump station will house three 500 horse power canned vertical turbine pumps rated at 4,200 gallons per minute at 372 feet of total dynamic head, hypochlorite metering pumps, controls, and other related appurtenances. The pumping capacity of the proposed pump station will exceed the combined pumping capacity of the existing Newport and Bellevue-Dayton pump stations.

4. The proposed improvements will not compete with any other water utility.

5. Construction of the proposed improvements will not result in the wasteful duplication of existing utility facilities.

6. CH2M HILL, Inc. of Milwaukee, Wisconsin prepared the drawings and specifications for the proposed waterworks improvement project.

7. The Division of Water of the Kentucky Natural Resources and Environmental Protection Cabinet has approved the drawings and specifications for the proposed waterworks improvement project.

8. Estimated total cost of the proposed waterworks improvement project is \$1,400,000.

9. Northern Kentucky District proposes to finance the proposed waterworks project with internally generated funds and short-term notes. As Northern Kentucky District does not propose to issue any debt instruments that are payable at periods of more than 2 years, Commission approval of Northern Kentucky District's proposed method of financing is not required. KRS 278.300(8).

10. The public convenience and necessity require the construction of the proposed pumping station.

IT IS THEREFORE ORDERED that:

1. Northern Kentucky District is granted a Certificate of Public Convenience and Necessity to construct the proposed waterworks improvement project as set forth in the drawings and specifications contained in its application.

2. Northern Kentucky District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. Northern Kentucky District shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. Northern Kentucky District shall require construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

6. Northern Kentucky District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in

accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.


7. Before issuing any debt instruments that are payable at periods greater than 2 years to finance the proposed project or converting short-term notes to longer term debt instruments, it shall apply to the Commission for authorization to issue such instruments.

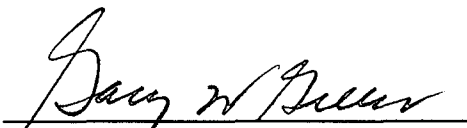
Nothing contain herein shall be deemed a warranty or finding of value of securities authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 7th day of December, 1998.

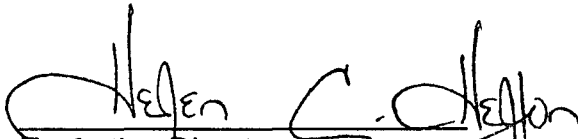
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director